

Message Text

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SUBJECT: CALLAGHAN WILL CALL THE SHOTS

REF: A) LONDON 15271, B) LONDON 14550

SUMMARY. DECISIONS OF LABOR PARTY CONFERENCE ARRANGEMENTS COMMITTEE AND NATIONAL EXECUTIVE COMMITTEE (NEC) OVER SEPT 25-26 WEEKEND LEFT NO DOUBT THAT PRIME MINISTER CALLAGHAN HAS A FIRM HAND ON THE PROCEDURAL LEVERS OF CONFERENCE. THEIR DECISIONS, TOGETHER WITH SUPPORT OF TRADE UNION BLOC VOTE, SEEMS TO ASSURE THAT CONFERENCE
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WILL NOT SERIOUSLY CHALLENGE GOVERNMENT'S ECONOMIC

POLICIES, AND THAT ITS POTENTIAL TO EMBARRASS GOVERNMENT WILL BE MINIMAL. DECISIONS OF ARRANGEMENTS COMMITTEE WERE CHALLENGED ON CONFERENCE FLOOR THE MORNING OF SEPTEMBER 27, BUT DELEGATES VOTED TO SUPPORT EVEN MOST CONTROVERSIAL OF THE COMMITTEE'S DECISIONS BY COMFORTABLE MARGIN. THE OUTLOOK FOR THE BALANCE OF THE WEEK IS FOR SMOOTH SAILING. ONLY SURPRISING DEVELOPMENT WAS A SPEECH BY MINISTER OF OVERSEAS DEVELOPMENT REG PRENTICE WHICH PLACED HIM AT ODDS WITH NEC AND CALLAGHAN. END SUMMARY.

1. LABOR PARTY CONFERENCE ARRANGEMENTS COMMITTEE DECIDED, AS WE HAD EXPECTED (REF A), TO COMPRESS ECONOMIC DEBATE INTO FIRST DAY, TO EMPLOY COMPOSITING PROCEDURES TO ELIMINATE OR DEFANG RESOLUTIONS THAT WERE HOSTILE TO GOVERNMENT'S POSITION, AND TO REJECT RESOLUTIONS DESIGNED TO MAKE MPS MORE ACCOUNTABLE TO THEIR CONSTITUENCY PARTIES. THESE DECISIONS WERE SUSTAINED BY THE NEC WHICH, IN A CLOSE 14 TO 13 VOTE, REJECTED THE HOME POLICY SUB-COMMITTEE'S STATEMENT ATTACKING RECENT SPENDING CUTS (REF B). ENERGY SECRETARY TONY BENN JOINED WITH OTHER GOVERNMENT MINISTERS AND TRADE UNIONISTS TO DEFEAT THIS INITIATIVE. NEC, ACCORDINGLY, WENT INTO CONFERENCE BACKING THE GOVERNMENT'S POLICIES.

2. THESE STEPS APPEAR TO CLEAR THE WAY FOR CONFERENCE TO ENDORSE THE GOVERNMENT'S ECONOMIC POLICIES AND FOR COOPERATION BETWEEN THE POLITICAL AND INDUSTRIAL WINGS OF THE PARTY TO CONTINUE. REINFORCING THIS JUDGMENT WERE PRESS REPORTS AFFIRMING THAT JACK JONES, HUGH SCANLON AND DAVID BASNETT, LEADERS OF BRITAIN'S THREE LARGEST UNIONS, WILL NOT SUPPORT THE NEC STATEMENT CALLING FOR NATIONALIZATION OF BANKS AND INSURANCE COMPANIES. IT CANNOT WIN BY THE TWO-THIRDS NECESSARY TO MAKE IT BINDING PARTY POLICY.

3. SEVERAL DECISIONS OF THE ARRANGEMENTS COMMITTEE WERE CHALLENGED ON THE FLOOR AS THE CONFERENCE GOT UNDERWAY, BUT THEY WERE NOT SUPPORTED BY A MAJORITY OF DELEGATES. LIMITED OFFICIAL USE

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THE MOST SERIOUS CHALLENGE WAS MOUNTED BY THOSE PRESSING FOR REVISED PROCEDURES FOR SELECTING MPS, MAKING THEM DIRECTLY ACCOUNTABLE TO CONSTITUENCY PARTY ORGANIZATIONS FOR RENOMINATION. IN FIRST CARD VOTE OF CONFERENCE, DELEGATES SUPPORTED COMMITTEE BY 3.9 MILLION VOTES TO 2.3 MILLION.

4. THE MOST UNEXPECTED DEVELOPMENT OF PRE-CONFERENCE

PERIOD WAS A SPEECH BY RIGHT-WINGER REG PRENTICE ATTACK-
ING LEFT-WING DOMINATION OF NEC AND ITS INFLUENCE ON THE
LONG-RANGE POLICY DOCUMENT, LABOR'S PROGRAM, 1976.
PRENTICE DREW A STRONG REBUKE FROM CALLAGHAN WHICH WAS
GIVEN EXTENSIVE PRESS COVERAGE. IT WOULD APPEAR THAT
PRENTICE HAS FURTHER UNDERMINED MODERATE SUPPORT FOR HIM
IN HIS CONTINUING STRUGGLE TO RETAIN HIS CONSTITUENCY
NOMINATION. THIS INCIDENT HAS ALSO TRIGGERED
SPECULATION THAT CALLAGHAN MAY NOW SEEK AN EARLY
OPPORTUNITY TO DROP PRENTICE FROM THE GOVERNMENT.
ARMSTRONG

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